Profile of B.C.'s Construction Sector

Prepared by Ministry of Skills Development and Labour

July 2004

What is the magnitude of the construction sector?

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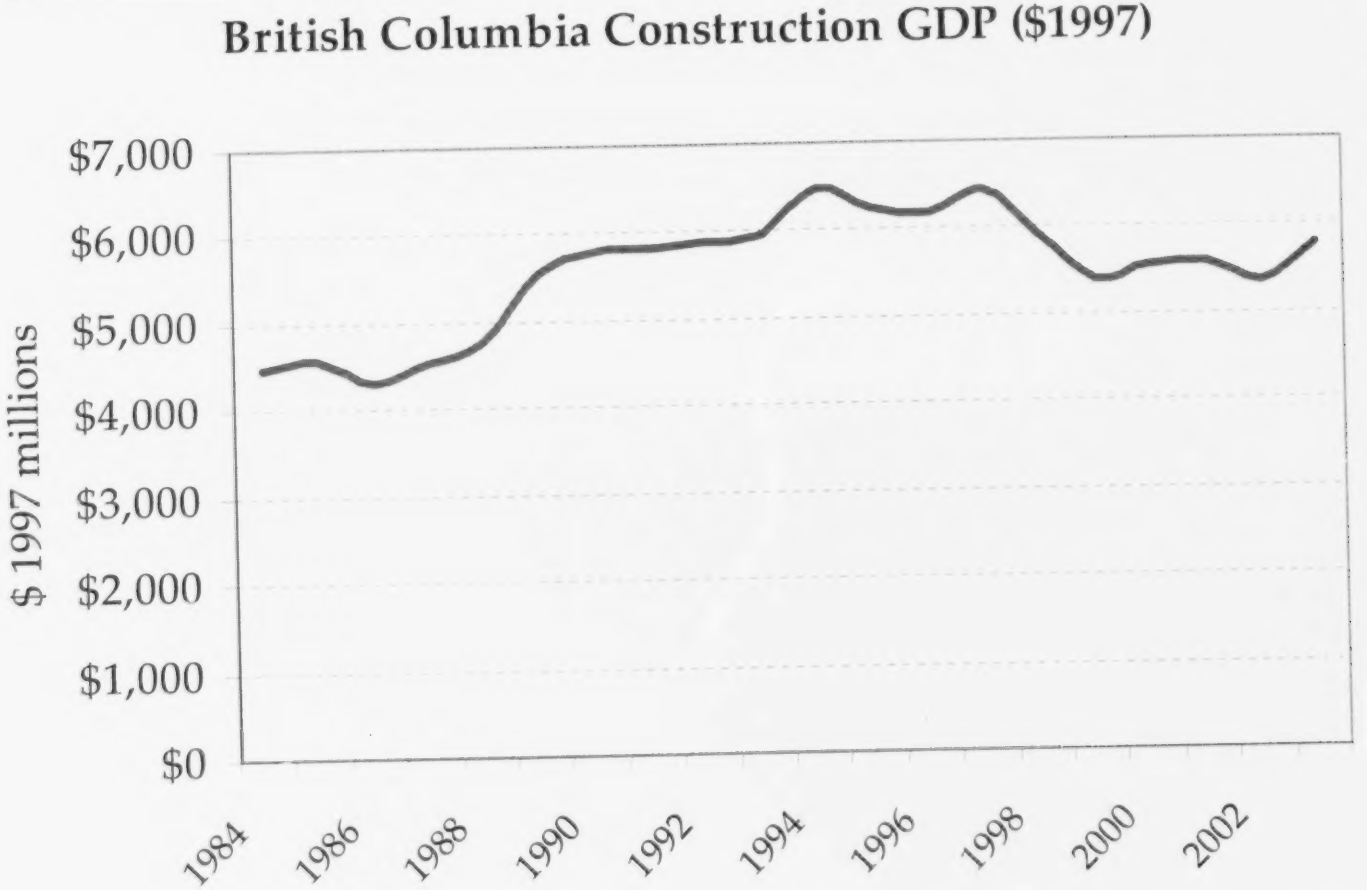
- In 2003, the value of building permits in B.C. was $6.39 billion.
- This shows strong growth over 2002 levels (13% increase), coming back up to the peak in activity in 1996.
- Most of the gains were in residential construction and repair.

How many businesses are there in the construction sector?

- In 2003, there were 43,846 establishments in the construction sector in B.C.,
- Of the businesses with employees:
  - 15,665 had 1-19 employees
  - 1,086 had 20-49 employees
  - 455 had 50 or more employees
- 26,640 firms in this sector had no employees (i.e. were self-employed or had no employees on payroll).

How much economic activity does the construction sector generate?



Source: BC Stats, Statistics Canada Provincial Economic Accounts

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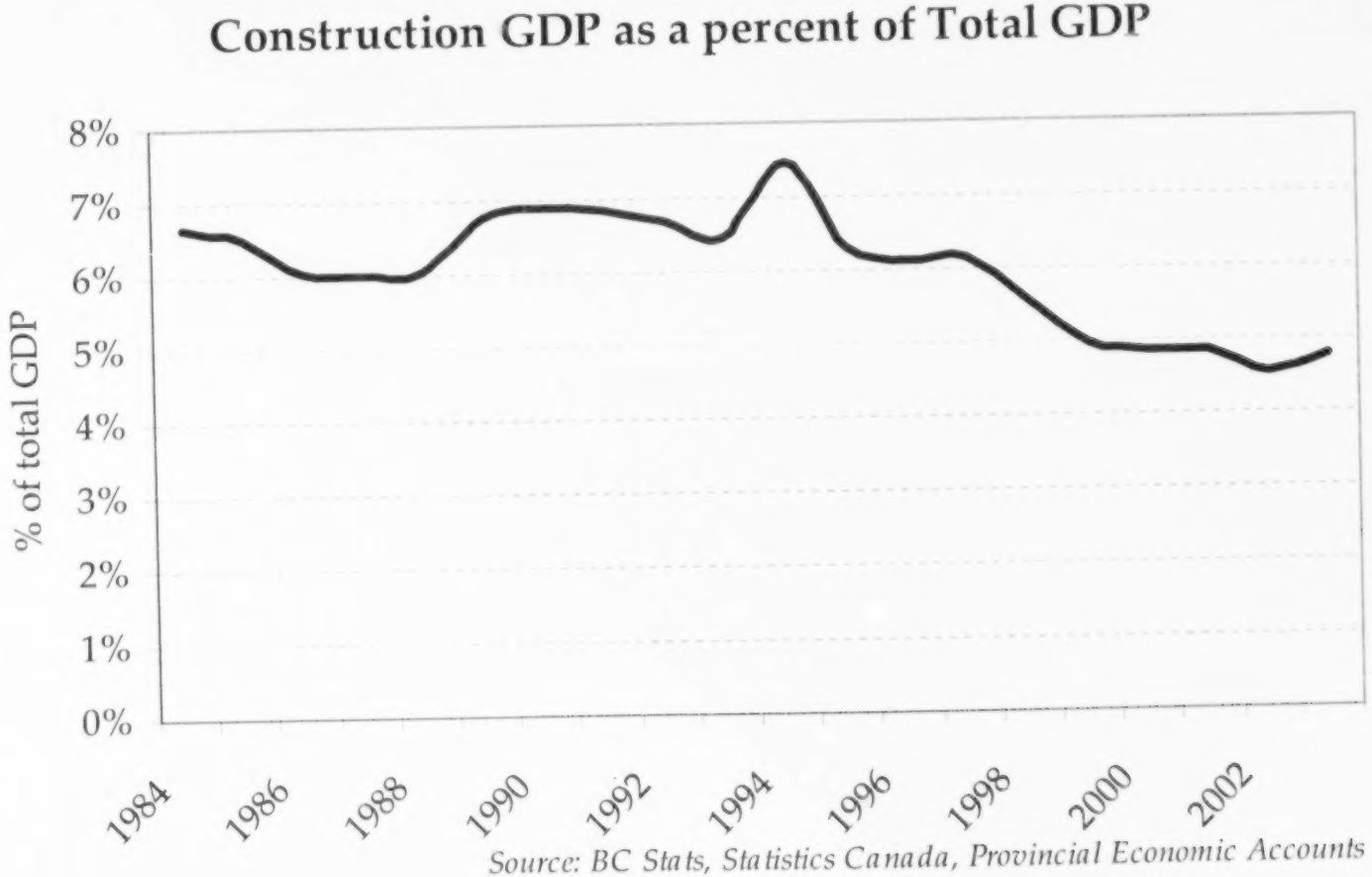
What proportion of the economy does this represent?



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Where in the province is construction happening?

- Most construction activity is happening in the Lower Mainland.
  - 65% of the building permits (value) are within the Mainland/Southwest.
- Outside of the Lower Mainland, 2003 saw gains in:
  - Capital region
  - Comox-Courtenay, Cowichan Valley and Nanaimo areas
  - Kamloops
  - All areas of the Okanagan valley
  - Nelson, Creston, Fernie and Trail
  - Prince George

How many people are employed in construction in B.C.?

Source: Labour Force Survey

More than 2/3 of workers in this sector are in trades, transportation, & equipment operator jobs.

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What types of activities do workers in the construction sector do?

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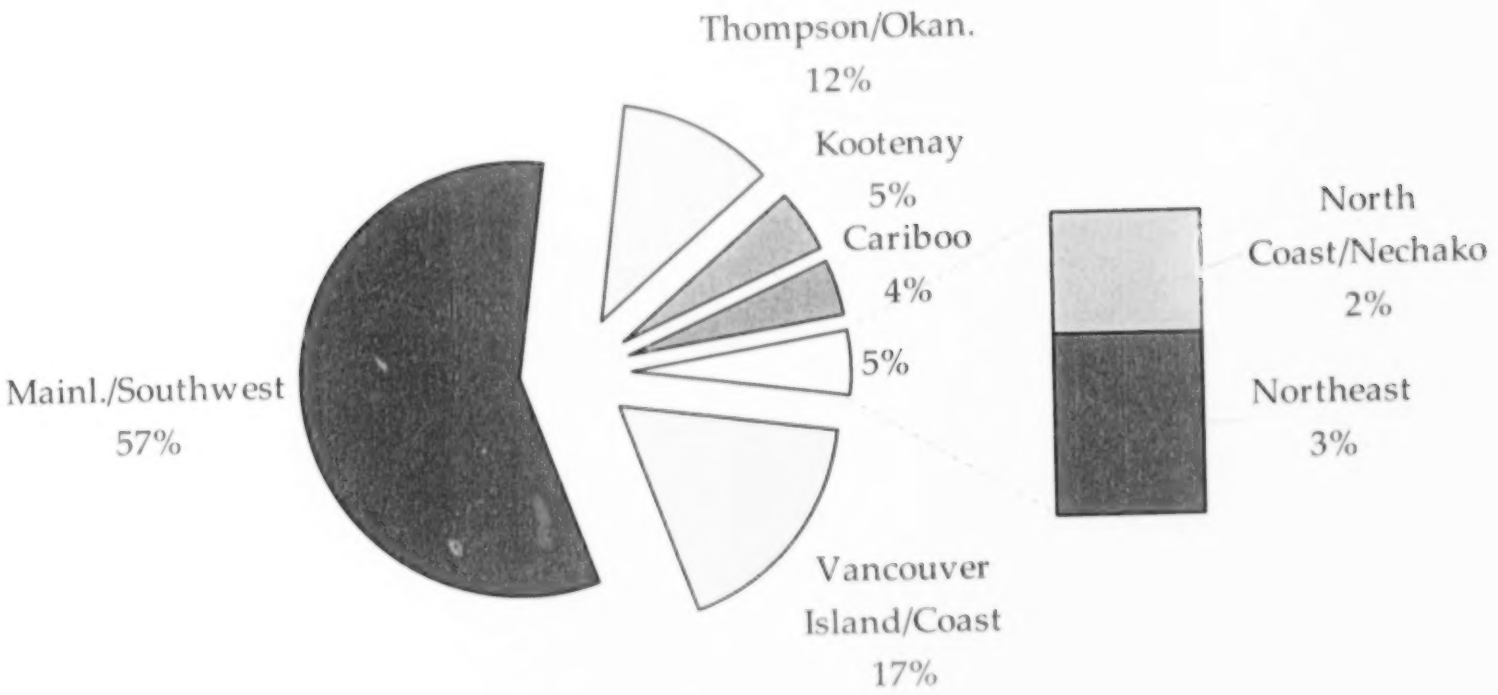
Regional distribution of construction jobs

Regional Distribution of Construction Employment, 2003



Source: BC Stats, Labour Force Survey

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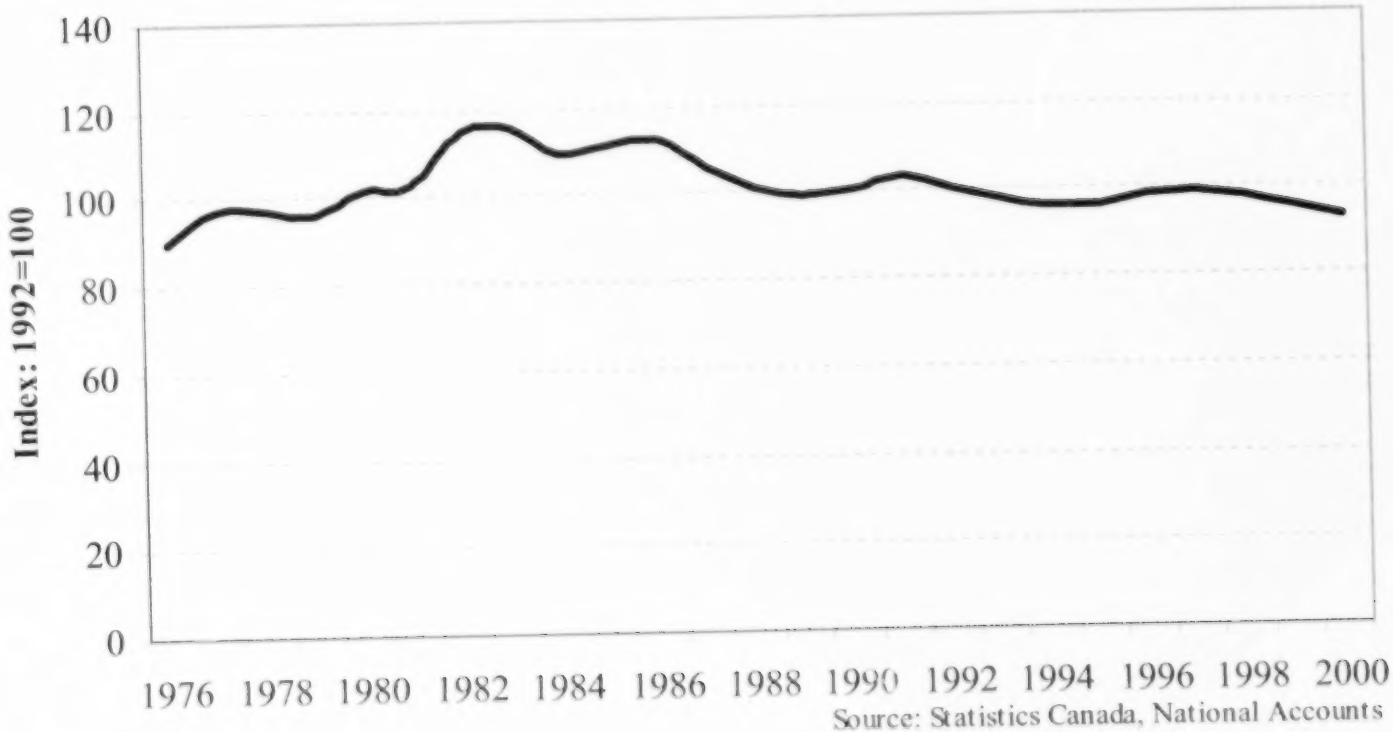
Labour productivity in construction has slipped in the last 2 decades.

Index of Labour Productivity in the Construction Sector (Canada)



Source: Statistics Canada, National Accounts

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Current climate in the construction sector

- Construction has begun to rebound in B.C. in the last 2-3 years.
- Residential construction and renovations still account for much of the increase in building permit activity, although large engineered projects are in the planning stages
- Continued low interest rates have fueled much of the renewed investment by homeowners.
- Benefits are being seen outside the GVRD area, particularly Vancouver Island and the Okanagan.

Emerging opportunities

- Private sector economists are predicting continued low interest rates which will help sustain construction activity.
- The 2010 Winter Olympics will result in a number of engineered projects, commercial building, and some infrastructure developments.
- A significant number of other commercial and industrial developments are currently in planning phases.
- Federal & provincial govts. have announced plans for a number of highway infrastructure projects.